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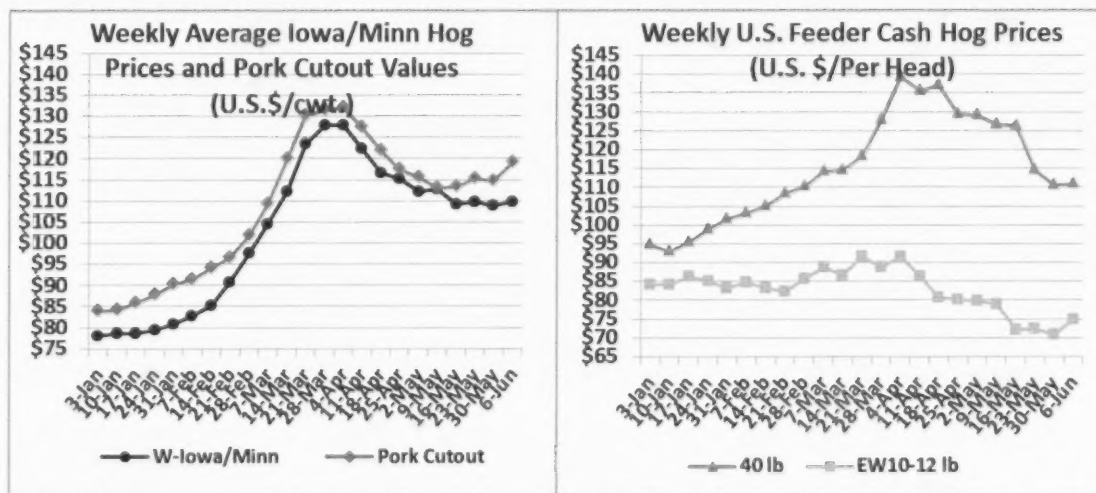
## Weekly Hog Report

June 9, 2014

Last week there was one new case of **Porcine Epidemic Diarrhea (PED)** identified in a hog barn in Ontario, Canada. There are currently 59 cases confirmed in hog barns in Ontario, two in Manitoba, one in PEI, and also one in Quebec for a total of 63 PED cases confirmed in hog barns in Canada.

### Cash Feeder Hog Prices

Last week North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were higher. Weighted average cash prices for iso-weans (12lb) were US\$74.93 per head, up US\$4.16 per head from US\$70.77 per head the previous week. Feeders (40lb) were US\$110.57 per head, up US\$0.20 per head from US\$110.37 per head the previous week.



Source: LMIC

Source: LMIC

### Cash Slaughter Weight Hog Prices

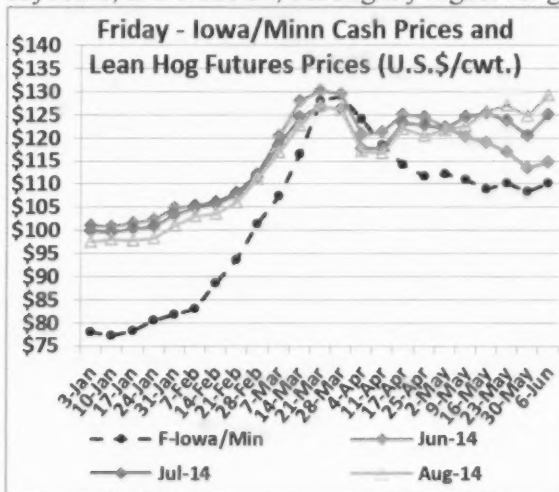
United States daily average cash hog prices ended the week higher, week-over-week. Hog prices (Iowa/Minn) on Friday averaged US\$110.16 per cwt, up US\$1.92 per cwt or 1.8 per cent from US\$108.24 per cwt the previous Friday. The negotiated base price for the week averaged US\$109.75 per cwt, up US\$0.94 per cwt or 0.9 per cent from US\$108.81 per cwt the previous week. Stronger pork cutout values over the week helped push hog prices higher.

In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday June 6, 2014 was \$223.05 per ckg, up \$6.11 per ckg or 2.8 per cent from \$216.94 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged \$217.75 per ckg, up \$2.43 per ckg from the previous weeks' average price of \$215.32 per ckg. The Canadian dollar moved lower last week closing the week Friday at 91.49 cents, down 0.74 cents from the previous Friday's close of 92.23 cents.

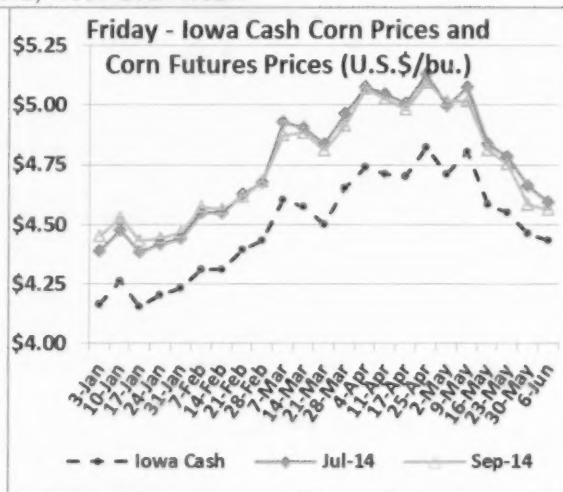
### Futures Markets

Lean hog futures prices were higher last week with the nearby contracts up between US\$1.225 and US\$4.500 per cwt. The nearby June lean hog futures contract was US\$1.225 per cwt higher to settle Friday at US\$114.575 per cwt. The August contract was US\$4.500 per cwt higher to settle the week at US\$129.300 per cwt. The August contract reached new all-time high record prices last week with concerns on future supplies over PEDv. The Friday Iowa/Minn average daily cash price was US\$110.16 per cwt, US\$4.415 per cwt lower than the June's lean hog futures price.

Prices for other United States nearby commodity futures were lower for corn, wheat, soybeans, and crude oil, but slightly higher for gold, week-over-week.



Source: CME



Source: CME

Iowa cash corn prices and the nearby corn futures were lower over the week. The Iowa cash price on Friday was US\$4.43 per bushel, down 3 cents from US\$4.46 per bushel the previous Friday. The July corn futures contract was down almost 7 cents to settle Friday at US\$4.59 per bushel, while the September contract was down almost 2 cents to settle Friday at \$4.56¼ per bushel. Future prices did however rebound strong on Friday to pare down the week's losses.

### Hogs Slaughtered

U.S. hogs slaughtered under federal inspection last week for the week ending June 7 were estimated at 1.930 million head, up 10.3 per cent from 1.750 million head the previous shorter holiday week, but down 3.8 per cent from 2.006 million head from the same week a year ago. U.S. hogs slaughtered over the last four weeks ending June 7 averaged 1.913 million head, down 4.2 per cent from 1.997 million head the same four week period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending May 31, 2014 were estimated at 387,755 head, up 14.4 per cent from 338,920 head the previous shorter holiday week, but down slightly from 388,588 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending May 31 were estimated to average 378,056 head, down slightly from 378,611 head over the same period a year ago.

In Western Canada, federal and provincial hog slaughter numbers for the week ending May 31, 2014 were estimated at 160,072 head, up 7.9 per cent from 148,407 head the previous shorter holiday week, but down 2.1 per cent from 163,460 head the same week a year ago. Western Canadian hogs slaughtered over the last four weeks ending May 31 were estimated to average 158,782 head, up slightly from 158,515 head over the same period a year ago.

### **Meat Production**

U.S. pork production for the week ending June 7 was estimated at 416.2 million lb., up 10.0 per cent from 378.2 million lb. the previous shorter week, and up 1.1 per cent from 387.1 million lb. the same week a year ago. Hog weights were about 11 lb. heavier last week compared to a year ago.

U.S. beef production for the week ending June 7 was estimated at 483.6 million lb., up 14.5 per cent from 422.4 million lb. the previous shorter week, but down 5.2 per cent from 510.0 million lb. over the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending May 31, 2014, was estimated at 1.887 billion lb., down 2.1 per cent from 1.928 billion lb. over the same four weeks a year ago.

### **United States Weekly Meat Production**

(May 31) Four Week Average - Million Lb.			Percent Change	
	2013	2014	4wk. 2014	YTD 2014
Pork	416.0	416.4	0.1%	0.1%
Beef	494.9	460.1	-7.0%	-4.7%
Chicken	888.1	884.9	-0.4%	-0.5%
Turkey	129.2	125.6	-2.8%	-5.4%
<b>Total</b>	<b>1,928.2</b>	<b>1,886.9</b>	<b>-2.1%</b>	<b>-1.7%</b>

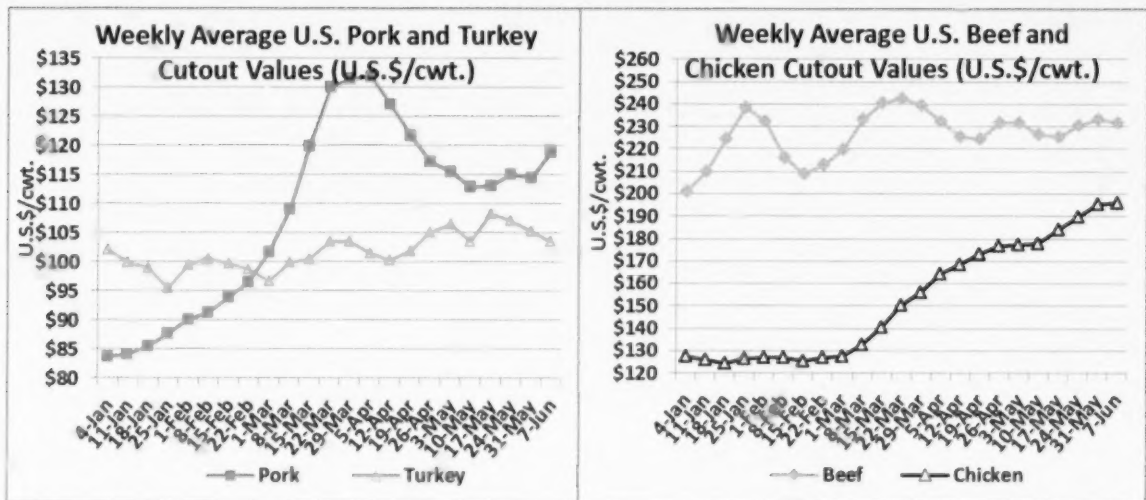
Source: LMIC

### **Cutout Values**

The U.S. pork cutout values for the week ending June 7, 2014 averaged US\$118.87 per cwt, up US\$4.39 per cwt or 3.8 per cent from US\$114.48 per cwt from the previous week, and up 24.5 per cent from US\$95.50 per cwt the same week a year ago.

Average beef cutout values (Choice 600-900 lb.) for the week ending June 7 averaged US\$231.81 per cwt, down US\$1.62 per cwt from US\$233.43 per cwt from the previous week, but up 13.5 per cent from US\$204.21 per cwt the same week a year ago.

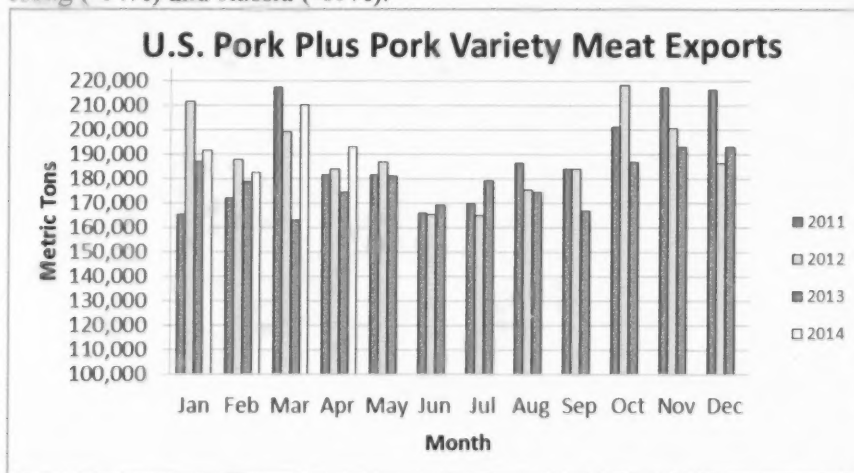
Over the last two months chicken cutout values have had the largest increase and have been rising since early March 2014.



Source: LMIC

### United States Pork Exports

United States exported 192,924 metric tons of pork plus pork variety meats in April 2014, down 8.0 per cent from 209,704 metric tons in March 2014, but up 10.8 per cent from 174,073 metric tons in April 2013. By dollar amount, U.S. pork exports in April 2014 were US\$596.4 million, down 1.7 per cent from US\$606.7 million in March 2014, but up 25.5 per cent from US\$475.1 million in April 2013. Higher pork values kept sales by dollar value close to March levels but significantly increased them compared to April 2013 levels. Year-to-date, U.S. pork exports by volume are higher to Mexico (+16%), Japan (+18%), China (+9%), and Korea (+31%), but lower to Canada (-13%), Hong Kong (-14%) and Russia (-69%).



Source: U.S. Meat Federation

For more information contact:

**Brad Marceniuk, PAg, MSc, BSA**  
**Livestock Economist**  
**(306) 933-5098**  
[brad.marceniuk@gov.sk.ca](mailto:brad.marceniuk@gov.sk.ca)